

REPORT

OF THE

COMMITTEE OF INVESTIGATION

OF THE

BOSTON, CONCORD AND MONTREAL RAILROAD,

TO THE

STOCKHOLDERS,

MARCH, 1857.

CONCORD:

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REPORT.

At a meeting of the Corporation, held at Concord on the fifth day of February last, a Committee was appointed, with liberty to fill vacancies, "to investigate the affairs of the Corporation, procure an accurate valuation of the property, a complete list of all the liabilities with their origin and character and the rate of interest secured upon each of them, an estimate of the future income of the Road, with full power to investigate, searchingly, all the affairs of the Corporation, and recommend at an adjourned meeting of the stockholders, to be held on the first Thursday of April next, at this place, in what manner the floating debt of the Corporation may be forthwith promptly and honorably paid, and the best course to be adopted for that purpose." Mr. Reding, who was one of that Committee, being unable to attend on account of other engagements, Mr. Cate was substituted in his place. The Committee, as thus constituted, at once proceeded to the discharge of the duties assigned them, and now submit their Report.

Though the terms of the resolution appointing this Committee include a general examination of all the affairs of the Corporation, yet they refer more particularly to such matters as relate to the liabilities of the Corporation, its resources for and the best course to accomplish a settlement of them, and to the future prospects of the Road. It has not been supposed by the Committee that it was the design of the resolution to impose upon them the duties of a regular auditing of all the accounts of the Corporation from its commencement. Such a course would require a much greater period of time than that allowed by the adjournment of the meeting to the day mentioned for the purpose of receiving the report of the Committee, and would involve a large expense. Besides, a regular auditing of the accounts of the Corporation up to April 1, 1854, was made by a former Committee, appointed by the stockholders for that purpose, who made

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their report at the annual meeting held at Plymouth, June 20, 1854. Under these circumstances this Committee have not thought it necessary or advisable to incur the expense and delay of such an auditing at this time. They have, however, made examinations of different accounts with their vouchers, particularly of those arising since the first of April, 1854, at which time the examinations of the former Committee ended, for the purpose of testing and sufficiently to satisfy them of the correctness of the books in the offices of the Treasurer and the Superintendent. And the Committee have made examinations of all the accounts, without reference to time, relative to such particular transactions as it seemed to them desirable to have fully investigated.

The correctness and accuracy of the accounts in the offices mentioned deserve commendation. The books in the Treasurer's office are necessarily the great source of information and check against error in the pecuniary affairs of the Corporation. But the accounts of the current operations of the Road pass through the office of the Superintendent, and the Committee have been much pleased with the very systematic manner in which those accounts have been kept. They can not conceive of a system of accounts better adapted or more effectual to secure a strict accountability on the part of all the employees of the Road, in the various departments of its operative force, for all moneys or other property of the Road in their hands or under their charge. In connection with this subject the Committee would remark that the auditings of accounts which have heretofore been made by the Committees of the Directors and of the Stockholders, appear to have been confined to the accounts in the Treasurer's office. But those in the office of the Superintendent are important, and we therefore recommend, in future, similar auditings of them in connection with those of the Treasurer.

The duties assigned to the Committee have necessarily involved a review by them, to a great extent, of the past management of the affairs of the Corporation. They have given particular attention to such matters as have appeared to them, or been suggested by others, as deserving more full examination. But after the investigations made by them, there are only a few past transactions to which the Committee think there is any occasion to call the attention of the stockholders at this time. These will be mentioned hereafter.

In order to present in a more intelligible manner the various matters to which the attention of the Committee has been directed, they are arranged under appropriate heads.

Woodlands and Wood at Warren.

The Corporation own about 7,800 acres of wood-land in Warren and Benton. They were purchased, mainly, prior to 1853, at the total cost of \$22,914.54. Since the spring of 1853 very nearly all the lumber, sleepers and wood required for the use of the Road throughout its whole length, have been obtained from those lands. The object of the Directors in the purchase of them was to provide a sure supply of wood and lumber for the present and future use of the Road, at a less price than it was supposed they could be obtained from other sources.

The former Wood Agent of the Road, under whose directions the operations at Warren have heretofore been conducted, has reckoned the expense of the wood obtained for the use of the Road from the lands of the Corporation there, at an amount per cord, which, if correct, would show a result in those operations favorable to the Road. But on examination of the matter, the Committee are satisfied that his calculations are incorrect, and that the expense of the wood has been greater than he has supposed. This appears to be clearly shown by the fact that a recent settlement of his accounts as Agent shows a deficiency in the wood department of over \$12,500, which is one ninth of \$110,000, the whole amount of the operations conducted by him. This deficiency probably arises, to a considerable extent, from an under estimate of the expense of the wood charged out for the use of the Road, though it is, in part, owing to waste and other causes. But the addition of the amount of this deficiency will not make the whole of the actual cost of the wood to the Road. That would show only the expenditures in getting the wood from the land and preparing it for use. It includes nothing for interest on the money invested, for depreciation in the value of the land by the wood cut off, or for loss on tools and materials used, and on improvements made but which will be valueless when the wood is once removed; which are important considerations in determining the actual cost of the wood. Much of the work in these operations has been done directly by the Corporation. This course has rendered them more expensive than they would have been if conducted by individual enterprise. The necessity of agents to take charge of the work for the Corporation, and the want of that strict economy and careful oversight which personal interest only will effectually secure, render the performance of such work by contract, in general, much preferable for corporations.

With these considerations, and from the investigations made by

them, the Committee regard the past wood operations at Warren as unfavorable to the Road, in rendering the actual cost of the wood greater than that at which, probably, much if not all required for the use of the Road might have been obtained by purchase. But they regard the original purchase of these wood-lands more favorably. Hereafter, when the constant and rapid consumption of the wood on the line of the Road shall, as it must, have rendered the necessary supply more difficult and expensive, these lands will probably prove a desirable and valuable acquisition. Apart from the consideration that the pecuniary condition of the Corporation has rendered the application of all its resources to its present necessities very desirable, the Committee consider the purchase of a portion of these lands, as a provision for the future, a beneficial measure for the Road.

Another objection to the actual operations at Warren has been the extent to which they have been carried on. This will appear from the large balance of wood and lumber reported as being on hand at the commencement of the present fiscal year—sufficient for the use of the Road, at the rate of consumption in past years, for nearly eighteen months to come—and this although considerable sales off the Road had been made during the past years. This large amount of materials had been paid for by the Road, and consequently had contributed to increase the expenses from which the present indebtedness of the Corporation has arisen.

The Committee express their views with more confidence because they seem approved by the change recently made by the Directors in this matter. The operation of the work by the Corporation has been discontinued, and whatever is hereafter done is to be by contract, and furthermore, is to be diminished so to reduce the large amount of materials on hand. The Committee would recommend an entire discontinuance of operations until it shall be more satisfactorily ascertained by trial, whether all the wood and lumber required for the present use of the Road can not be obtained at cheaper rates by purchase. They do not advise the sale of the wood-lands, but to retain them so that operations may be resumed on them hereafter, when and to such an extent as the want of a proper supply in the market or increased prices shall render advisable—and then they should be by contract, under proposals, with individuals and not by the Corporation itself.

The attention of the Committee has been called to certain contracts relative to the preparation of lumber for the Road, at the mills in Warren. From the examinations made, these contracts appear

unfavorable to the Road. They recommend them for the attention of the Directors.

Stock and Bond Operations.

From the records of the Directors it appears that in 1851 a proposition was made to them by a broker in Boston, relative to certain operations connected with the stock of this Road. The terms of that proposition are not stated, but they are understood to have had reference to sustaining the price of the stock in the market. By a vote of the Directors, January 16, 1851, the matter was referred to the President and the Finance Agent, with full power to act in the premises. No farther reference to the matter is found on the records until April 11, 1855, when a report was made to the Directors on the subject.

On investigation by the Committee, it appears that the arrangement and transactions which have been had under the vote of the Directors above mentioned, have been under the direction and charge of the Finance Agent. On inquiry of him he states that the arrangement made was, in brief, that the parties were to be saved by this Corporation from loss in any purchases they might make of its stock. It was not to be an indemnity against loss on a final account of losses and gains in all purchases and sales made, but on each purchase by itself. He farther states that purchases and sales of stock to a large amount in the aggregate were made by the parties without any claim against this Corporation for any loss, under the arrangement; but during the course of the transactions, he, as Finance Agent, made advances of money to aid in carrying some of the stock on hand, taking transfers of the stock as security. In this way 611 shares of old stock came under his control, some years since. Subsequently, these shares were transferred into new stock; and afterward, in pursuance of a vote of the Directors, October 17, 1855, 292 shares of that new stock were transferred into preferred stock. These transfers are the same mentioned in the statements of the capital stock account accompanying this Report, as made by special directions. They were made without any payment of money, as required in other cases. There are 309 shares of preferred and 342 shares of new stock now held and standing mostly in the name of a trustee for the Finance Agent, under the above arrangement, as he states. The amount which has been advanced by him on account of them is stated to be \$25,893, which is stated as the cost of the shares originally purchased by the parties and from which these came as above

stated. As this is more than the present market value of the stock, even as it now stands, under the arrangement stated by the Finance Agent the parties will not, probably, take it again, and therefore it has in effect become the property of the Corporation.

From farther statements of the Finance Agent, it appears that subsequently to the commencement of the above operations in the stock of the Road, the same arrangement was extended to its bonds—the parties to be indemnified against loss, and to be allowed the coupons for interest falling due while held by them, for interest on the money used in the purchase of them. The amount of bonds now held under this arrangement is \$59,700, purchased at an alleged cost of \$48,384. As this is above the present market value of the bonds, there is a liability to a claim for loss on them, under the arrangement stated by the Finance Agent. Some advances of money have been made by him on account of these operations also.

The object of the above arrangements, with reference to the Road, was to sustain the price of its stock and bonds in the market, which was deemed to be very desirable for the credit of the Corporation, and particularly to enable it to make more favorable negotiations of its unsold stock and bonds, to raise means to carry on the construction of the Road. It is understood that measures for similar purposes have, to some extent, been adopted by other Corporations; and the Finance Agent expresses a confident opinion that these operations have been highly beneficial to this Corporation, in the respect mentioned. But apart from the general question of the expediency and propriety of such measures, the terms of the arrangements in this case seem to the Committee very unequal and unfavorable to the Corporation. Had all the purchases and sales been under the direction of the Corporation, and the indemnity been only against a final loss in the whole transactions, it would seem more favorable. But the parties were at liberty to buy and sell at their own discretion, with the benefit of all the gains to themselves, and the risk of all the losses to the Corporation.

The Finance Agent states that these arrangements were made, verbally, by him—that the minutes of the various transactions have not been preserved—and there are no records concerning them. The books in the Treasurer's office do not contain any minutes of them, or of any money of the Corporation being involved in them, as no accounts of the same have been made by the Finance Agent to him. Under these circumstances the Committee could not make any

particular investigation of them, and the only assurance of their correctness throughout, is the general statement of the Finance Agent.

From the accounts in the Treasurer's office, the Committee estimate the balance due on the 31st day of December last, from the Superintendent, \$9,689.28, and from him as Finance Agent, \$33,075.04, making in all, \$42,764.32. For most of this he accounts, generally, to the Committee by the advances made on the stock and bonds as above mentioned; and claims to adjust these balances only on a final close and settlement of those operations. The Committee recommend that such a settlement be made as soon as practicable, by paying the balance required and taking the stock and bonds. That balance, according to the statement by the Finance Agent, of the cost of the stock and bonds, and the estimate of the balances due from him as above stated, will be about \$31,500. By this course the loss in the operations will be materially reduced. The sale of the stock and bonds in the market at the present time would involve a large amount of loss, for which, by the agreement stated by the Finance Agent, the Corporation is made liable.

Capital Stock.

The different classes of stock — old, new and preferred — and the various terms under which they have been created, necessarily render the stock accounts of the Corporation intricate and confused. The Committee have examined them, and present a brief statement of the different classes — see Appendix, A. That shows the changes in the classes since April 1st, 1854, and the amount in cash on the first day of February last — making a total amount in all of \$1,809,032.35. An explanation of the transfers in the preferred and new stock, mentioned as by "special directions," has been given in a former part of this Report.

Receipts and Expenditures.

The stockholders probably wish to see a statement of the receipts and expenditures of the Corporation, in a more distinct form than is given in the annual Reports of the Directors. The Committee have therefore had such prepared, showing in brief all the receipts into the treasury and expenditures therefrom from April 1st, 1854, to February 1st, last, being the period since the time to which the examinations of the former investigating Committee of the Stockholders extended. This will be found in the Appendix, B, and exhibits correctly the cash operations of the treasury during the time specified. The statement does not include the net income of the

Road since October last, because at the time it was prepared the accounts of the same had not been made up and returned to the Treasurer. Those for the months of November and December have since been received, and show a net income of \$19,000.39.

Officers and Salaries.

A list of the officers and employees in the pay of the Corporation in the month of December last, with their rates of pay, is given in the Appendix, C. It will be observed that some were casual laborers employed for a temporary purpose, but most of them were in constant employment and formed the regular force of the Road.

The Directors have no fixed pay, but are allowed two dollars per day and necessary expenses, when employed in the business of the Road. Inquiries have been made whether the President or any of the Directors received any pay for signing the notes of the Corporation, or any commission on moneys raised for its use; and the Committee have made investigations on that point. The President and Mr. Coffin, a Director, have been sureties and indorsers on the notes of the Corporation for a long time past. The liabilities assumed by them for the benefit of the Road have been about \$200,000 during all the time for several years; and for all this they have not received, and until recently have not claimed any compensation. By a vote of the Directors, Nov. 27th last, they were to be allowed, each, one fourth of one per cent. on the amount of all notes of the Corporation thereafter signed by them as sureties or indorsers; and that allowance on the notes signed by them since that time to Feb. 1st, last, would amount to about \$375 to both. All occasion for such allowance in future will be avoided by the payment of the floating debt.

The notes of the Corporation have been, to a great extent, signed and indorsed by the late Finance Agent of the Road also, in connection with the President and Mr. Coffin. In 1854 an allowance of \$2,000 in preferred stock, in addition to his salary as Superintendent, was made to him by the Directors for his various services as Finance Agent up to that time. And on the various notes which have from time to time been negotiated by him out of the State, for the Road, a brokerage of one fourth of one per cent. has been charged, but for whose benefit does not appear. The vote of the Directors above mentioned, making an allowance for signing notes, allows him also one fourth of one per cent. on the amount of all thereafter signed by him, which allowance would be about \$187.50 up to February 1st, last.

The subject of the number and compensation of the employees of the Road is one of much inquiry by stockholders, and about which they probably expect an examination and report by this Committee. The question of the necessary number and proper compensation of such employees is, ordinarily, one particularly proper for the judgment of the Directors, whose familiarity with the requirements of the business of the Road and with the duties and capacities of its employees, render them most competent to determine it. There should, of course, be the same strict economy in this as in every branch of its business, but a want of proper force, or a compensation insufficient to engage persons with the proper degree of skill and care, is far from being economy. In a business like that of a railroad, where slight defects of skill and care may be attended with so disastrous consequences, a proper regard for pecuniary interests only, render it desirable that there should be a sufficient force of competent and careful employees; and no expense necessary for that purpose should be regarded.

The Committee presume that now, as the Road is completed and its business become more established, a reduction of force may be proper and desirable. This matter generally is recommended for the consideration of the Directors. The Committee, however, would call particular attention to the office of Engineer. As there is a Road-master, the necessity of the former officer is not seen, and no reason occurs to the Committee why that office should be retained on this Road, when it has been discontinued by others in this State. They would also suggest whether, with the changes now made and proposed in the operations of the wood department, the duties now discharged by the Wood Agent may not be attended to by other employees of the Road, under the supervision of the Superintendent, and thus save the expense of that agent.

In connection with this subject there is another matter to which the Committee think proper to allude. In the course of their investigations they have observed several instances of employees of the Road being interested in contracts with it. Formerly, an agent of the Road was a member of a company with which he, as such agent, was conducting extensive and important business — and at this time there are several instances of nearly a similar character. Such different relations to the Road do not necessarily involve any wrong, but they are inconsistent with each other — give rise to suspicions — and expose to abuse. No employee, certainly, should have any interests opposed to those of the Road. The only safe course is a general rule,

which the Committee recommend, that no employee of the Road shall be directly or indirectly interested in any contract with it, except for the services for which he is particularly employed.

Property.

Roadway. This consists of $93\frac{516}{1000}$ miles of main, and $5\frac{250}{1000}$ of side track; making $98\frac{3}{4}$ miles in all. The cost, exclusive of interest and discounts, of this together with the depot buildings and furniture therein, water works and other fixed property, has been \$2,183,360.13.

The season of the year has prevented a very thorough examination of the roadway by the Committee. They have, however, passed over it, making such examinations as might be; and from them and such information as the Committee have been able to obtain from other sources, they believe it to be in good condition. Though the Road was opened for public use throughout its whole length more than three years since, yet its construction was not then finished. Many things involving much expense remained to be done, to place the roadway in that permanent condition which becomes a finished Road. But now most of them have been done, and with a few unimportant exceptions the roadway may be considered as finished, and the construction account closed. It is but justice to the Superintendent to say that it has never before been in so good condition, as it is at this time.

A descriptive list of the depot and other buildings accompanies this Report — Appendix, D. The Committee have examined and find them to be in good condition, and, in their opinion, sufficient, with the exceptions hereinafter stated, for the present requirements of the Road. The recent destruction by fire of the engine house and machine shop at Lake Village will render new ones necessary. The insurance on those burned will, it is supposed, be nearly sufficient to pay for the construction of as good new ones, required in their place. The Corporation has no Engine house at Concord. It has always been and still is accommodated with room for its engines in the engine house of the Northern Railroad, for which a rent of \$400 per year is paid. So long as that accommodation is continued an engine house will not be needed. But should the wants of the Northern Railroad at any time render it necessary to discontinue the use of their house by this Road, a new building for that purpose will be necessary. The Corporation now owns land on which it can be built whenever necessary, and the cost of a proper building with suitable fixtures, is estimated by the Superintendent at less than \$4,750.

Equipment. The accompanying Inventory — Appendix, E, shows the different articles of the equipment of the Road on the first day of January last, with their condition and estimated values.

In the opinion of the Superintendent the equipment at that time was sufficient for the present business of the road. But the fire at Lake Village has since made some change. Four engines — the “Moosilauke,” “Old Man,” “Quincey,” and “Pehanugun” — were in the buildings burned at the time of the fire, and were more or less injured. The master mechanic estimates the injury to those engines at \$11,600. Of this amount \$9,056.33 is covered by insurance, thus leaving the actual loss to the Corporation on them only \$2,543.67. He also estimates the loss by the fire, on the machinery and tools in the shops, at \$3,923, of which a little more than one half is covered by insurance. The values specified in the inventory are as estimated by the master mechanic and the engineer of the Road. The Committee have made examinations of the most important articles, and believe those valuations to be substantially correct. They have not deemed it advisable to incur the expense of an appraisement by competent parties off the Road, because the property is indispensable for the use of the Road, and is not for sale. A valuation of it, therefore, is important only for the purpose of indicating the condition of the property, of which the Committee have made personal examinations.

Other Property. It has been impracticable, under the circumstances and at this season of the year, for the Committee to make personal examinations and take inventories of all the other property of the Corporation. But such have been furnished to them by those in charge of the different departments of the Road, which the Committee, from examinations made by them, believe to be correct. They are given in the Appendix, F, and show the stock in the machine shop, materials for repairs and tools in the engineer department, wood and other property belonging to the Corporation on the first day of January last, with the estimated values thereof.

The loss by the subsequent fire, on the stock in the buildings burned, is reckoned by the master mechanic at \$1,088.61, of which more than one half is covered by insurance.

The inventory furnished by the engineer was taken by him on the first day of October last; the season of the year having prevented taking one since. The amount of the materials which had been used since that time, and prior to January 1st last, is estimated by him at \$1,500 — leaving an amount on hand at that date of \$18,164.86.

The bonds of the White Mountain Railroad, mentioned in the ac-

companying inventory, were taken in payment for the freight of the iron used in the construction of that Road. At present they are without value in the market. Hereafter, when the controversies in which that corporation is now involved shall be ended, these bonds may, as they should, become of some value.

The stock in the Concord and White Mountain Telegraph Company was taken to aid the construction of that line of telegraph, which is important for this Road. The investment was judicious, although the stock itself is without any value at this time.

The stock in the Wells River Bridge came to this Corporation in the arrangement for the construction of the bridge at that place for the accommodation of this Road. It is supposed to be worth very near if not quite its par value.

The interest in the Winnipissiogee Steamboat Company arose from aid given to encourage the opening of that line of travel, as an auxiliary to this Road. A dividend of about six per cent. per annum is received on the stock. The present market value is supposed to be at least as much as stated in the inventory.

The balances in the accounts of the Superintendent and Finance Agent have been alluded to in a former part of this Report. There are also on the books of the Treasurer sundry accounts against different parties, but they are doubtful, if not worthless, and therefore are disregarded.

Debts and Liabilities.

The funded debt of the Corporation consists of two issues of bonds secured by distinct mortgages — the first, of that part of the roadway which extends from Concord to Warren, with the franchises and other property of the Corporation; and the second, of the remainder of the roadway, together with all covered by the first mortgage, subject to the same. The first issue of bonds is to the amount of \$500,000 payable in 1860, with coupons attached for the semi-annual interest at the rate per annum of seven per cent. on \$300,000, and of six per cent. on the remainder. All of these have been sold. The second mortgage contemplates a final issue of bonds under it to the amount of \$850,000. But of that amount \$500,000 is reserved for the payment of the bonds secured by the first mortgage, when due, thus leaving only \$350,000 of bonds for other use; all of which, with the exception of \$26,400 now mostly on pledge, have been sold. These bonds are payable in 1870, with coupons attached for the semi-annual interest at the rate per annum of seven per cent. on \$200,000, and

of six per cent. on the remaining \$150,000. From this it will be seen that the whole amount of the funded debt of the Corporation, including the \$26,400 of bonds on pledge, is \$850,000, with an annual interest of \$56,000, which is a permanent charge upon the yearly income of the Road.

By a vote of the Directors, February 21st, 1855, bonds to the amount of \$300,000, secured by a pledge of the income of the Road, were authorized to be issued. These were intended as security to the Directors for their liabilities as sureties and indorsers on the notes of the Corporation. None of these "Income Bonds" have been sold, but a part, to the amount of \$118,000, have been pledged and are now outstanding as security for debts of the Corporation. The intention is, when provision is made to pay the debts, to withdraw and cancel all these bonds, so that this liability of the Corporation may be entirely extinguished.

In the last annual Report of the Directors the floating debt of the Corporation, "deducting cash assets," is stated as being \$239,743.82; and at the meeting in February last it was stated to be about \$230,000. If the deduction for assets should be regarded as properly made, these statements were correct. Among those assets were included certain funds as available, in the hands of the Superintendent and Finance Agent of the Road. But those are the funds from which the advances by him on account of the stock and bond operations which have been mentioned, have been made. The particulars of those transactions have been stated; and the Committee think that, under the circumstances, those funds can not be regarded as available at this time. Whatever were the forms of the advancements, they are in substance and effect investments in the stock and bonds. To their amount they may contribute to diminish the amount required to close those transactions, but they are not available to pay the debts of the Corporation and therefore should not be reckoned as assets for that purpose.

With these views the Committee make the amount of the floating debt of the Corporation larger than the sums stated as above mentioned. It consists almost entirely of the notes of the Corporation, with, in most instances, two of the Directors and the Superintendent as sureties or indorsers. A list of those outstanding on the first day of January last accompanies this Report — Appendix, G, to which the Committee refer for particulars. It shows the date, amount, time of payment, origin, and rate of interest of each note. The aggregate amount is \$256,785.91. These are all the debts, beside

bonds of the Corporation, which appear on the Treasurer's books; and, so far as the Committee can ascertain and as they believe, are all which are outstanding against it, with the exception of several accounts in the Superintendent's office for the payment of which are means there.

On inspection of the list it will be observed that some of the notes are overdue and the interest on them is in arrears. But most of them are not yet due, and when not otherwise mentioned in the list, the interest on those has been paid to the time when they became due; consequently the balance of interest at this time is in advance.

The particular origin of a few of the notes is stated, but with reference to most of them the Committee can not give a more particular statement than appears in the list. The floating debt of the Corporation has existed for several years, and during that time, as the different notes composing it have from time to time fallen due, they have been paid by money raised on other notes given in their stead. In some instances there have been renewals, but there are no records to show which, if any of those now outstanding, are such. To facilitate the negotiation of the notes, they have been made payable to the order of the Treasurer and by him indorsed in blank, and thus could be used whenever a party was found to lend the money on them. The notes and the records in the Treasurer's office, therefore, do not show with whom they were negotiated, or by whom probably now held. It is understood, however, that nearly all the notes on which legal interest only is paid, are held by various Banks who have accommodated the Road with these loans, in consideration of the circulation thereby given to their bills.

The rate of interest specified in the list does not in all cases show the rate received by the party lending the money for which the note was given. A considerable portion of the notes were negotiated by the Finance Agent of the Road, in Boston, and elsewhere out of this State. On those a brokerage of one fourth of one per cent. on the amount has been charged. The rates specified include all those charges, as well as the interest paid to the lender of the money, so to show the rate of expense to the Road for the money borrowed.

In connection with this subject of the liabilities of the Corporation, mention should be made of the claim of Warren H. Smith, a former contractor, for a balance alleged to be due him for work in constructing the Road above Warren. This claim is now in suit, awaiting a legal investigation. The amount claimed is, as the Committee understand, over \$50,000. The Directors of the Road claim that Mr. Smith has

in fact been overpaid by the Corporation for his work, to the amount of \$31,000. Under these circumstances any examination of the matter by this Committee, with the idea of arriving at any certain judgment as to the real state of just account between the Corporation and Mr. Smith, seemed useless. They refer to the statements in the last annual report for the views of the Directors relative to the claim, and the reasons for the same.

There are a few other claims for damages made against the Road, and now awaiting legal investigation, but they are comparatively unimportant.

Income and Future Prospects.

The table in the Appendix, H, shows the gross receipts, expenses and net income of the Road during each of the three years from April 1, 1853, to April 1, 1856, and during that part of the present year from the last date to January 1, 1857. This period is taken because it covers all the time during which the Road has been open for public use for its whole length. The accounts of the present year, thus far, indicate that its net income will not be materially different from that of last year, though the severity and snows of the past winter have somewhat increased the expenses and lessened the receipts.

The Committee can see no reason why, under existing circumstances, a yearly net income of at least \$120,000 should not be expected hereafter. On the contrary there seem to be good reasons why there should be a gradual increase for the future. The Road is in better condition than ever before, and with the means for a much larger amount of business at a comparatively small increase of expense. In addition to the natural development of business on the line of the Road is that ~~now~~ and important which will be opened to it by the extension of the line beyond, now in progress of construction toward Canada.

Another source for an increase of net income is by a diminution of expenses. The Committee have, in another place, made some suggestions relative to a decrease of employees on the Road, and they presume that hereafter when the Directors and Superintendent, being relieved from the constant cares of a floating debt, shall give more attention to the management of the Road itself, they will be able to effect favorable changes in the expenses in other respects.

An important saving in expense, so to leave a part of the net income of the Road, beyond the interest on the funded debt, for the

stockholders, will be made by the payment of the floating debt. From the statement of expenditures, in the Appendix, B, it will be seen that the interest paid on the floating debt from April 1, 1854, to February 1st last—two years and nine months—was \$90,872.82. For several years past the average of yearly extra interest and expense on that debt has been about \$15,000—nearly sufficient for a dividend of two per cent. on the whole amount of preferred stock.

Payment of Debts.

The resolution appointing this Committee directs them to recommend the manner and best course to be adopted by the stockholders for “the prompt and honorable payment” of the debts of the Corporation. It contemplates that payment shall be made—and it should be. The creditors have valid claims against the Corporation, and if it makes no provision for their payment, they will, without doubt, resort to their legal remedies against the stockholders on their individual liability under the statute.

The whole amount of the floating debt, as herein before stated, is \$256,785.91. To this should be added \$2,818.86 for unpaid coupons and dividends—making the sum of \$259,604.77 to be provided for. But if, as recommended by the Committee, the Corporation shall close up the stock and bond operations before mentioned, by paying up the balance after the advancements made, the farther sum of about \$31,500 will be required. This addition will make the total sum of \$291,104.77, for which provision is to be made.

From the statements in the former part of this report it will be observed that though the Corporation has a large amount of property on hand, yet there is very little available for the payment of its debts. The roadway and equipment can not be used for that purpose. Neither is it advisable to dispose of the stock and materials for repairs on hand. There is constant demand for them, and if sales of them were made, purchases would be necessary to supply the place. There is, however, some property which is not needed and may therefore be disposed of without disadvantage. Such is the farm at Warren, owned by the Corporation, valued at \$2,000, and perhaps those portions of the wood-lands from which the wood has been cut, and some of the tools and other property in the wood department. There are also two houses at Laconia and one at Sanbornton Bridge, of the value of about \$1,500, some small tracts of land at Concord, and the stock in the Wells River Bridge, and also that in the Win-

nipissiogee Steamboat Company, which are not needed for the use of the Road. The Committee recommend that these properties be sold as soon as can be, judiciously, and the proceeds applied on the debts of the Corporation.

But there will be a very large amount of indebtedness still remaining to be provided for. By a recent Act of the Legislature, a farther issue of bonds by this Corporation is authorized; of which \$200,000 will be available for the present purpose. To this should be added the \$59,700 of bonds which will be received in the settlement of the stock and bond operations before mentioned. All these make the total sum of \$259,700.

By the provisions of the Act authorizing the bonds above referred to, the sum of \$12,500 is to be set aside on the first day of each year, commencing January 1, 1856, as a sinking fund for the payment of these bonds. In order, therefore, for the Corporation to avail itself of the benefit of the Act, the sum of about \$26,000 is to be set aside for the payments and interest now due on the sinking fund. The \$26,400 of bonds now on pledge, but which, on payment of the debts will come back to the Corporation, are regarded as sufficient for that purpose.

The above statements leave a balance of \$31,404.77 of debts over the amount of all the bonds above mentioned as available. If, however, those liabilities can be extinguished to the full amount of those bonds, the balance remaining will not be very important. The other property of the Road, to which the Committee have referred as being disposable, will aid in reducing it, and in addition to that will be the stock received in the settlement of the stock operations as before mentioned. The 309 shares of preferred stock can not, probably, now be sold in market for more than about \$3,500, but if the floating debt is paid and the Corporation thus placed in good position, the market value of that stock will be largely increased. From these sources a greater portion of that balance can be paid, and the small residue can readily be satisfied from the future income of the Road. Indeed, the net income for one year will be more than sufficient to pay the interest on the whole funded debt and all the balance above stated, even without the property or stock above mentioned.

The important point is, in what way can the money for the payment of liabilities be realized from those bonds? To attempt it by a sale of them in the market, in its present state, would be folly. The discount which would be required would, probably, be at least one third of the amount, and thus leave a large indebtedness still re-

maining. In order to pay the debts, the bonds must be disposed of at their par value. The only course for this is by the parties interested taking them. The stockholders must do it to pay off the debts of the Road, and thus save a valuable property, and at the same time relieve themselves from any liability on account of those debts. The creditors also, probably, will take, to some extent, so to receive their pay without delay or trouble. And this is not a very hard remedy. For every dollar paid in, the parties will receive the bonds of the Corporation, with interest semi-annually at the rate of six per cent. The whole amount of the yearly interest on all the bonds of the Corporation, including these, will be only \$68,000—a little more than one half of the present net income of the Road. Of the abundant sufficiency of that income to pay much more than this interest there can be no reasonable doubt—and, although the bonds may not now be sold for their par value, yet the party will receive six per cent. interest on that value, and ultimately payment of the principal. For, the Committee can not but regard a Road, such as they find this to be, with its construction completed, in full operation, with sufficient equipment and a present net income of \$120,000 per annum, and free from a floating debt, as good security for \$1,050,000—the whole amount of its liabilities. More than this they consider to be a large, valuable interest remaining for the stockholders.

The effect of this course for the payment of the debts of the Corporation, will, as it should, be to make the Road and its income stand pledged for the money advanced for that purpose, before any stock whether preferred or otherwise. These seem to the Committee the best measures which can be devised, and therefore they strongly recommend them for adoption by the stockholders.

It is desirable that whatever measures are now adopted should be effectual to relieve the stockholders, as well as the Corporation, from its debts. A partial payment, leaving a large balance remaining, will not be sufficient. To raise the necessary amount, the united action of all the stockholders is required. The Committee recommend that papers, in proper form, be presented to them for subscriptions, for the bonds at par, on the condition, however, that no subscription shall be binding unless the whole amount subscribed for shall be at least \$250,000. That amount, in the judgment of the Committee, will so reduce the debts of the Corporation that there need be no apprehension of any future trouble on account of them.

To fully accomplish the objects desired at this time, some provision should be made to guard against the creation, hereafter, of debts for

which the stockholders may be liable. As the construction of the Road is now completed, and its present equipment sufficient for its business, the Committee do not see how, hereafter, any occasion can properly arise for the creation of any considerable debt, except in case of some very unusual misfortune. They, however, propose for adoption by the stockholders, a resolution instructing the Directors not to contract any debt for which there may be any liability on the part of the stockholders.

The Committee farther recommend that a committee of three be appointed by the stockholders to take proper measures, in concert with the Directors, for subscriptions for bonds as herein recommended, and such others as may be thought advisable to provide for the payment of the floating debt—to consider the subscriptions received, for the purpose of ascertaining whether the proper amount has been raised—and to arrange with the Directors relative to the collection of the money and the application of the same to the payment of the debt.

Present position of the Road.

By a vote of the Directors, January 9th last, an assignment of the Road, with all its property and credits, was made to three trustees for the purpose of securing the signers of the notes of the Corporation. No question is made of the correct intentions in this assignment, and those signers should be saved harmless. But it is to be regretted that any occasion should have arisen for this measure, as the legal effect of the assignment, if valid, is to place the Road and its property beyond the control of the Directors and of the Corporation. The ready remedy, however, is by making provision for the early payment of those debts and thereby relieve those parties from their liabilities and replace the Corporation in the possession and control of its property.

Respectfully submitted,

J. MINOT,	} <i>Committee.</i>
R. B. SHERBURNE,	
A. P. CATE,	
A. H. TILTON,	
J. KENISTON,	

March, 1857.

APPENDIX.

A

Capital Stock, February 1, 1857.

OLD STOCK.

Amount April 1, 1854, including stock scrip and dividends for interest,			\$1,053,914.02
Amount issued for cash paid since,			118.33
			<u>\$1,054,032.35</u>
Amount transferred to preferred stock,	26,000		
Amount transferred to new stock,			
Proposition 1,	344,700		
2,	60,900		
3,	93,900		
By special directions,	61,100	560,600	586,600.00
			<u>\$467,432.35</u>
Balance, February 1, 1857,			<u>\$467,432.35</u>

PREFERRED STOCK.

Amount April 1, 1854, including partial payments,			\$639,690.00
Amount issued since for old stock canceled,			26,000.00
Amount issued since for new stock canceled, by special directions,			29,200.00
Amount issued since for cash,			105,110.00
			<u>\$800,000.00</u>
Total, February 1, 1857,			<u>\$800,000.00</u>

NEW STOCK.

Amount issued for old stock canceled, proposition 1,	344,700		
2,	60,900		
3,	93,900		
By special directions,	61,100		
			<u>\$560,600.00</u>
Amount issued for cash,			10,200.00
			<u>\$570,800.00</u>
Less amount transferred to preferred stock, by special directions,			29,200.00
			<u>\$541,600.00</u>
Total, Feb. 1, 1857,			<u>\$541,600.00</u>

RECAPITULATION.

Old stock,	467,432.35
Preferred stock,	800,000.00
New stock,	541,600.00
Total,	<u>\$1,809,032.35</u>

B

Receipts and Expenditures, April 1, 1854, to February 1, 1857.

RECEIPTS.

Cash on hand, April 1, 1854,		\$8,633.52
Cash received on old stock,	118.33	
Cash received on preferred stock,	105,110.00	
Cash received on new stock,	22,746.58	
	<u> </u>	127,974.91
Cash received on bonds due in 1870,		
amount sold,	179,997.45	
less discount,	37,592.72	
	<u> </u>	142,404.73
Cash received for real estate sold,		800.00
Cash received for net income, April 1854,		
to April 1855,	140,951.14	
April 1855, to April 1856,	123,571.16	
April 1856, to Nov. 1856,	73,170.00	
	<u> </u>	337,692.30
Decrease on sundry accounts since April, 1854,		16,916.59
		<u>\$634,422.05</u>

EXPENDITURES.

Paid on account of construction,	72,099.99	
“ “ equipment,	2,917.99	
“ “ wood-lands,	2,478.79	
“ “ wood and materials on hand,	38,391.55	
“ dividends,	67,963.40	
“ interest coupons on funded debt,	133,564.00	
“ interest on floating debt,	90,872.82	
“ bond due in 1854,	500.00	
“ bonds due in 1855,	57,100.00	
“ on account of Concord & White Moun-		
tains Telegraph Company,	2,500.00	
“ “ Wells River Bridge,	1,500.00	
“ taxes and insurance,	12,438.02	
“ damages and losses,	30,153.79	
“ principal on floating debt,	121,941.70	
	<u> </u>	\$634,422.05

C

**Officers and Employees in the pay of the Corporation,
December, 1856.**

Josiah Quincy, President, salary and expenses, per annum,	\$1,000.00
James M. Whiton, Superintendent, salary,	" 2,000.00
Geo. Minot, Treasurer, salary,	" 1,200.00
Charles Lane, Clerk, salary,	" 50.00

WOOD DEPARTMENT.

H. W. Weeks,	Wood Agent, 1 month, at	\$50.00
	No. days.	Am't per day.
D. E. Bliffin,	27	1.00
Timothy Murphy,	71½	1.00
Thos. Sanders,	12½	1.00
Daniel Larry,	22½	1.00
John Whitcher,	13½	1.00

ROAD REPAIRS.

		No. of days.	Am't per day.
John Hutchins,	Section No. 1,	27	1.37
Patrick Donohue,		27	1.00
J. C. Hutchins,		5	.75
John Colby,	Section No. 2,	27	1.25
John Mills,		27	1.00
John Marsh,	Section No. 3.	27	1.25
Russell Burdeen,		27	1.00
George Lake,	Section No. 4,	15	1.25
Andrew Grover,	}	12	1.25
		15	1.00
Asel Canfield,		12	1.00
S. P. Hannaford,	Section No. 5,	22	1.25
C. F. Clark,		27	1.00
N. F. Foster,	Section No. 6,	27	1.25
C. B. Gile,		27	1.00
A. J. Hart,	Section No. 7,	27	1.25
David Edwards,		27	1.00
A. G. Young,	Section No. 8,	27	1.25
Pat. Kelly,		27	1.00
L. W. Dolloff,	Section No. 9,	27	1.25
W. F. Page,		27	1.00
M. S. Wadleigh,	Section No. 10,	27	1.25
Morris Farriter,		27	1.00
Joseph Martin,	Section No. 11,	27	1.25
Richard Kowen,		26	1.00
H. S. Woodman,	Section No. 12,	28	1.25
C. H. Plaisted,		25	1.00
E. Boardman,		3	1.00

Wm. Harvey,	Section No. 13,	29	1.25
M. Donohue,		29	1.00
Hiram Hobart,		28	1.00
Paul Seavey,		$\frac{1}{2}$	1.00
Pat. Donovan,	Section No. 14,	29	1.25
John Ragan,		29	1.00
Rufus Emerton,		8	1.00
John Brown,		$\frac{1}{2}$	1.00
Benj. Brown,		$\frac{1}{2}$	1.00
Daniel Webb,		$\frac{1}{4}$	1.00
Silas E. Foster,	Section No. 15,	$28\frac{1}{2}$	1.25
Rasmus French,		$28\frac{1}{2}$	1.00
Robert Merrill,		4	1.00
Daniel Sullivan,	Section No. 16,	$28\frac{1}{2}$	1.25
Thomas Cantlin,		$28\frac{1}{2}$	1.00
Dennis Daily,		$1\frac{1}{2}$	1.00
John Wiggin,	Section No. 17,	29	1.25
Owen McCarty,		29	1.00
Dennis Kennedy,		10	1.00
John Dooly,	Section No. 18,	27	1.25
James Leary,		27	1.00
Mike Sullivan,		4	1.00
A. Mitchel,	Section No. 19,	27	1.50
F. A. Blodgett,		27	1.00
Geo. Cummings,	Section No. 20,	27	1.25
Daniel Foley,		27	1.00
William Ladd,	Removing ice and snow,	28	1.17
John Libby,	" "	13	1.50
I. P. Bickford,	Handling iron,	28	1.00
Augustus Morrill,	"	14	1.00
Pat. Moore,	"	$1\frac{1}{2}$	1.00
Pat. Hayes,	"	8	1.00
Thomas Leavitt,	"	$\frac{1}{4}$	1.00
James Leavitt,	"	$3\frac{1}{2}$	1.00
E. W. Upham,	Gate and bridge tender at Concord,	27	.50
			Am't per mo.
Elias Buswell,	Bridge at Sanbornton, 1 mo.		2.00
A. T. Burley,	Gate tender at Plymouth, 1 month,		8.33
J. J. Sanborn,	Road-master, 1 month,		65.00
			Am't per day.
Isaac Sanborn,	Engineer, gravel train,	12	1.75
H. F. Simpson,	Fireman, "	12	1.00
W. W. Simpson,	keeping fire Sundays,	6	1.00
Fred S. Stevens,	} on engine house at Plymouth,	27	1.50
Jason G. Blood,		$1\frac{1}{2}$	1.25
Wm. H. Crawford,		11	1.75
Jesse Eaton,	repairing building at Lake Village,	15	1.50
N. S. Mason,	repairs of bridges,	$10\frac{1}{4}$	1.50

I. S. Young,	repairs of bridges,	11½	1.50
Charles E. Elliott,	"	10	1.75
C. H. Latham,	Engineer,	1 month,	100.00

FREIGHT DEPARTMENT.

J. A. Dodge,	M'dize Dep't, Plymouth,	1 month,	100.00
		No. of days.	Am't per day.
Wm. Z. Ripley,		27	1.25
M. L. Lawrence,		27	1.25
I. W. Butler,		27	1.00
W. B. Douglas,	Woodville,	27	1.37½
James Matterson,	"	21	1.00
M. B. Gove,	North Haverhill,	27	1.00
Henry Merrill,	Haverhill,	27	1.00
W. W. Simpson,	East Haverhill,	27	1.00
M. J. Sanborn,	Warren,	27	1.12½
Stephen Dole,	Wentworth,	27	1.00
I. R. Swain,	West Rumney,	27	1.00
John Wentworth,	Rumney,	27	1.00
T. P. Woodman,	Holderness,	27	1.25
I. M. Beede,	Meredith Village,	27	1.25
John Wadleigh,	"	27	1.00
Miles Taylor,	Lake Village,	27	1.25
A. C. Leavitt,	Laconia,	27	2.00
I. M. Merrick,	Union Bridge,	27	1.12½
J. D. Lawrence,	Sanbornton,	27	1.62½
John Whiteher,	Northfield,	27	.75
J. A. Moore,	Canterbury,	27	1.00
E. W. Upham,	East Concord,	27	1.12½
			Am't per mo.
D. Ferguson,	Conductor 1 month,		50.00
G. E. Nutting,	" "		50.00
A. L. Smith,	" "		50.00
H. W. Ramsey,	"	24	50.00
O. R. Farrar,	"	3	50.00
W. Whiteher,	"	2	50.00
			Am't per day.
O. R. Farrar,	Brakeman,	24	1.25
W. Whiteher,	"	25	1.25
L. D. Whiteher,	"	13	1.25
R. B. Gray,	"	15	1.25
			Am't per mo.
C. F. Hicks,	Conductor,	24	50.00
John Fuller,	1 month,		2.00
			Am't per day.
Thos. P. Clifford,	Freight Engineer,	20	2.31
Henry A. Cummings,	"	27	2.31
Ralph Adams,	"	16	2.31
Mooney Moulton,	"	1	2.31
Charles Tilton,	"	28	2.12
Jabez J. Garman,	"	27	1.75

Alfred Drake,	Freight Engineer,	10	1.75
Albert Kiniston,	Fireman,	20	1.25
George F. Davis,	"	29	1.25
George B. Randall,	"	27	1.25
Charles M. Elkins,	"	21	1.25
W. D. Sargent,	"	3	1.25
I. S. Goodwin,	"	16	1.25
W. B. Farnham,	"	11	1.25
I. P. Wallace,	Watchman,	30½	1.00
E. F. Bartlett,	"	4	1.00
Damon Y. Dearborn,	"	31	1.00
W. B. Farnham,	Cleaner,	7½	1.00
I. S. Goodwin,	"	15½	1.00
Charles M. Elkins,	"	7½	1.00
W. D. Sargent,	"	12	1.00
Henry F. Simpson,	"	2	1.00

MACHINE SHOP LABOR.

George Stevens,	Superintendent,	1 month, 100.00	
		No. of days.	Am't per day.
John Aldrich, Jr.,	Clerk,	27	1.25
Frank Meloon,	Watchman,	31	1.00
Charles B. Rollins,	"	21	1.00
George W. Hicks,	"	10	1.00
James M. Foss,	Machinist,	25	2.31
Isaac Aldrich,	"	29	1.75
Elbridge Webster,	"	24¾	1.68
Samuel H. Nutting,	"	27½	1.68
Byron G. Merrill,	"	28½	1.42
W. H. H. Philbrick,	"	29½	1.42
Simeon S. Oakes,	"	26	1.42
R. F. Clark,	"	14¼	1.68
Clark Bowles,	"	9½	1.50
Jona. Ladd,	"	27	1.25
Henry Campbell,	"	29	1.08
Rufus Blodgett,	"	16¾	1.25
E. G. Garman,	"	21¼	1.12
Oscar Sanborn,	"	19½	1.33
George Lane,	"	26¼	.75
Ralph Adams,	"	10	1.75
John L. Davis,	"	15½	1.33
Mooney Moulton,	"	21½	1.66
Alfred Drake,	"	15½	1.00
James Gordon,	"	26¼	1.12
S. M. Yeaton,	"	20	1.25
Aaron Ferguson,	"	13	1.00
Isaac Sanborn,	"	7¾	1.25
Joseph M. Lougee,	Blacksmith,	25¾	2.00
N. R. Lougee,	"	28	1.68

Charles O. Davis,	Blacksmith,	23	1.33
Nathaniel B. Hall,	"	26 $\frac{1}{2}$	1.00
Renton Carter,	"	1 $\frac{1}{2}$	1.25
George W. Hicks,	"	18	1.00
Moses R. Elkins,	Wood Workman,	6	2.00
Alvah H. Glines,	"	28 $\frac{3}{4}$	1.58
Joseph S. Thing,	"	27	1.58
Ezekiel Gilman,	"	22	1.50
C. C. Clements,	"	26	1.75
J. S. Jewett,	"	27	2.00
James M. Sleeper,	"	27	1.33
Frank J. Hoyt,	"	20 $\frac{1}{2}$	1.33
E. H. Wheeler,	Woodville Shop,	31 $\frac{1}{4}$	1.50
Samuel R. Jones,	"	29 $\frac{1}{4}$	1.33
Renton Carter,	Rail mender, paid by the inch, 2577 in. at 2 $\frac{1}{2}$ cents per inch.		
E. M. Stratton,	Rail mender, paid by the inch, 2403 inches at 2 $\frac{1}{2}$ cents per inch.		
Alvah Sleeper,	Rail mender, paid by the inch, 2538 inches at 2 $\frac{1}{2}$ cents per inch.		

PASSENGER LABOR.

		No. of days.	Am't per day.
Hiram B. Judkins,	Engineer, passenger train,	28	2.31
Henry Little,	" "	27	2.31
Thomas P. Clifford,	" "	8	2.31
Emery Burnham,	Fireman,	28	1.25
George Eaton,	" "	27	1.25
Albert Kiniston,	" "	8	1.25
F. Sullivan,	Watchman,	28	1.00
S. R. Jones,	" "	4 $\frac{1}{2}$	1.00
Timothy Foley,	Car Cleaner,	22	1.00
Mrs. Foley,	" "	24 $\frac{1}{2}$	.50
James S. Robie,	Concord Work,	27	1.33
			Am't per mo.
Charles E. Twombly,	Paymaster, &c., 1 month,		66.67
J. L. Rogers,	Ticket-master, 1 month,		35.00
Seth Greenleaf,	Conductor,	24	50.00
J. S. Russ,	" 1 month,		41.60
George W. Little,	" "	21	41.60
Asa Sinclair,	" 1 month,		40.00
E. P. Fisher,	" 1 month,		40.00
A. A. Osgood,	" 1 month,		35.00
John Cleveland,	" "	18	35.00
Edson Clough,	Pass. R. R., 1 month,		5.00

REMOVING SNOW AND ICE.

		No. of days.	Am't per day.
John L. Davis,	Engineer,	11	2.31
James M. Foss,	"	2	2.31

Alfred Drake,	Engineer,	6	1.75
Isaac Sanborn,	"	4	1.75
W. D. Sargent,	Fireman,	15	1.25
Aaron Ferguson,	"	11	1.25

D
Depots, &c., February 1, 1857.

Depot at East Concord,	18½ by 50
Woodsheds at East Concord,	
Depot at Canterbury,	44 by 20, with Ell.
Depot at Northfield,	44 by 20, with Ell 18 by 18
Woodsheds at Northfield,	275 by 30
Tank House and Water Works at Northfield,	
Passenger Depot at Sanbornton,	20 by 40
Freight Depot at Sanbornton,	105½ by 39½
Depot at Union Bridge,	20 by 60
Passenger Depot at Laconia,	20 by 60
Freight Depot at Laconia,	67 by 31½
Freight Depot at Lake Village,	40 by 90
Passenger Depot at Lake Village,	20 by 40
Car House and Paint Shop at Lake Village,	135 by 26
Wood Shed at Lake Village,	40 by 172
Depot at Weirs bridge Station—small.	
Depot and Platforms at Steamboat Station—small.	
Passenger Depot at Meredith Village,	14 by 50
Freight Depot at Meredith Village,	40 by 100
Woodshed, Tank House and Water Works at Meredith Village.	
Depot at Holderness,	70 by 70
Office Building at Plymouth,	25 by 60
Engine House at Plymouth,	50 by 50
Water House, Tanks, Stationary Engine and Water Works at Plymouth.	
Passenger Depot at Plymouth.	
Car House at Plymouth,	100 by 30
Depot at Quincy's Station.	
Depot at Rumney Station,	50 by 20
Woodshed at Rumney Station,	40 by 20
Depot at West Rumney,	14 by 34
Depot at Wentworth,	20 by 60
Depot at Warren,	20 by 60
Car House at Warren,	56 by 37
Engine House at Warren,	62 by 32
Woodshed at Warren,	88 by 32
Depot at East Haverhill,	18 by 36
Depot at Haverhill,	20 by 60
Depot at North Haverhill.	

Depot at Woodville,	60 by 34
Car House at Woodville,	110 by 32
Engine House and Water Works at Woodville.	
Woodshed at Woodville,	200 by 36
3 Small Depots—Flag Stations.	
20 Hand Car Houses, one on each Section.	

E

Equipment, January 1, 1857.

ENGINES.

<i>Names.</i>	<i>Tons.</i>	<i>Kind.</i>	<i>Valuation.</i>	<i>Condition.</i>
Old Man,.....	22	Passenger.	\$6,000.00	In shop, rebuilding.
Lady of the Lake,	22	Passenger.	5,500.00	In good repair.
Granite State,....	23	Freight....	3,000.00	Needs general repairs.
McDuffie,.....	23	Freight....	7,000.00	In complete order.
Old Crawford,....	22	Passenger.	4,440.00	In good order.
J. Quincey,.....	23	Passenger.	4,800 00	In good order.
Peter Clark,.....	23	Freight....	6,000.00	In good order.
Moosilauke,.....	24	Freight....	6,000.00	In shop, repairing.
J. N. Elkins,.....	23	Passenger.	7,500.00	In good order.
Winnepesaukee,..	24	Freight....	7,500.00	In good order.
Pehanugun,.....	24	Freight....	7,500.00	In good order.
Akquedaukee,....	22	Passenger.	7,000.00	In good order.
Paugus,.....	18	Gravel....	4,200.00	In good order.
Pony,.....	14	Gravel....	3,360.00	In good order.
Chocorua,	23	Passenger.	7,500 00	In good order.
			<u>\$87,300.00</u>	

CARS, &c.

<i>No.</i>	<i>Kind.</i>	<i>Condition.</i>	<i>Valuation.</i>	
3.....	Passenger.....	Nearly new.....	\$1,800.00	\$5,400.00
5.....	Passenger.....	Running order....	1,500.00	7,500.00
2.....	Passenger.....	Poor.....	1,200.00	2,400.00
				<u>\$15,300.00</u>
3.....	Baggage.....	Nearly new.....	1,000.00	3,000.00
4.....	Baggage.....	Running order....	700.00	2,800.00
				<u>\$5,800.00</u>

CARS, &c. — CONTINUED.

No.	Kind.	Condition.	Valuation.	
20.....	FREIGHT CARS.	Long Box....	Good.....	550.00
46.....		Long Box....	Some worn.....	475.00
8.		Long Box....	Poor.....	400.00
12.....		Cattle & Coal.	Good.....	500.00
28.....		Cattle & Coal.	Some worn.....	450.00
7.....		Cattle & Coal.	Poor.....	400.00
16.....		Platform.....	Good	425.00
40.....		Platform.....	Some worn.....	375.00
8.....		Platform.....	Poor.....	325.00
9.....		Platform.....	New.....	450.00
8.....		Short Box....	Good.....	275.00
7.....		Short Box....	Some worn.....	175.00
4.....		Short Platf'm	Good.....	200.00
4.....	Short Platf'm	Some worn.....	150.00	
				\$90,725.00
15.....	Gravel.....	Good	135.00	2,025.00
6.....	Snow Plows, small.	Good.....	40.00	240.00
2.....	Snow Plows, large.	Good.....	60.00	120.00
1.....	Snow Plow, large.	Good.....	80.00	80.00
				\$440.00

Machinery and Tools in Machine Shops.

	<i>Valuation.</i>
1 Daniel's Wood Planer,	125.00
2 Saw Benches and Saws,	100.00
1 10 ft. Iron Planer and Tools,	800.00
1 4 ft. Iron Planer and Tools,	150.00
1 Double H. H. Lathe, 12 ft. long,	175.00
1 10 ft. Bed Lathe and Fixtures,	200.00
1 12 ft. Bed Engine, Lathe and Fixtures,	300.00
1 10 ft. Bed Engine, Lathe and Screw Apparatus,	275.00
1 6 ft. Bed Engine, Lathe and Screw Apparatus,	150.00
1 Bolt Machine and Fixtures,	100.00
1 Large Lathe for Turning Drivers,	200.00
1 Hand Lathe for Turning Wood,	100.00
1 Lot Taps and Dies, &c.,	125.00
1 Cylinder Boring Machine,	200.00
1 Upright Drill,	50.00

1 Traverse Jack and 12 small Jacks,	150.00
Benches, Vises, Ratchet, and Hand Drills,	300.00
Screw and Apparatus for putting on Wheels,	100.00
Lot Augers, Bits and Chisels,	50.00
1 Hoisting Crane and Chain,	75.00
4 large Oil Cans,	40.00
Lot small Cans and Measures,	10.00
14 Carpenter's Benches, &c.,	100.00
2 Fans for Blacksmith Shop,	50.00
Counter Shafts, Pulleys, &c.,	350.00
1 Snow Plow,	50.00
1 Copying Press,	10.00
1 Iron Safe,	75.00
1 Watch Clock,	60.00
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	\$6,270.00
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Road Tools, &c.

Sundry Tools, &c., on Sections and in possession of the Road Master, valued at	\$4,443.28
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RECAPITULATION.

15 Engines, valued at	87,300.00
10 Passenger Cars, valued at	15,300.00
7 Baggage Cars, valued at	5,800.00
217 Freight Cars, valued at	90,725.00
15 Gravel Cars, valued at	2,025.00
9 Snow Plows, valued at	440.00
Machinery and Tools, valued at	6,270.00
Sundry Road Tools, valued at	4,443.28
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	212,303.28
Loss on above by fire since January 1st, 1857, over insurance, estimated at	4,383.67
	<hr/>
	\$207,920.61
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Other Property, January 1, 1857.

STOCK IN MACHINE SHOPS.

	Valuation.
916 lbs. Boiler and Tank Iron,	59.54
1600 lbs. Spring Steel,	120.00
Bar Iron,	1520.00
Lowmoor,	140.00
Cast Steel,	216.00

Square nuts,	120.00
Six square nuts,	90.00
Straps,	240.00
Frog Steel,	180.00
Castings,	540.00
Set of 5½ feet drivers and tires,	1100.00
Set of 5 feet drivers and tires,	900.00
Set of 4½ feet drivers and tires,	600.00
Car wheels,	935.00
Tender and truck wheels,	768.00
Set of 5½ feet tires,	435.00
Set of 5 feet tires,	400.00
Car and truck axles, some worn,	700.00
Car and truck wheels, some worn,	340.00
Old car wheels,	100.00
Old steel,	60.00
Oak lumber,	400.00
Spruce lumber,	120.00
Tons coal,	165.00
Scrap iron,	75.00
Old tires and axles,	200.00
Hand car wheels,	30.00
Brass,	58.00
Oak Lumber,	625.00
Pine No. 1 lumber,	300.00
Pine No. 2	400.00
Cherry,	3.00
Mahogany,	24.00
Hard pine,	12.00
30 lbs. rubber packing,	12.00
1000 lbs flax, “	180.00
100 lbs. sponge,	18.00
80 lbs. woolen waste,	10.00
150 gals. sperm oil,	187.50
Lot of glass for cars,	30.00
Lot of wood screws, assorted sizes,	50.00
Lot of nails, brads, &c.,	20.00
Lot of patterns for engines and cars, &c.,	600.00
Lot of brooms, pails, &c.,	25.00
4 doz. wrenches,	60.00
6 doz. switch locks,	72.00
3 steam gauges,	90.00
1 set link work and pumps, &c.,	205.00
Safety valves and escape pipes,	60.00
1 new bell,	35.00
2 old bells,	25.00
Wood work for 1 car and stock,	200.00
60 lbs. curled hair,	22.50
Lanterns, &c.,	75.00

Ropes and car trimmings,	15.00
Leather and new belting,	50.00
12 truck axles,	120.00
1 truck axle, new,	16.00
533 lbs. brass castings	159.90
260 lbs. boxes,	65.00
86 lbs. packing rings,	32.25
16 lbs. rubber jaw springs,	52.00
8 lbs. rubber draw springs,	42.00
1 wrought iron jaw,	35.00
1 set parallel rods,	100.00
62 yds. canvas,	77.50
6 doz. lantern globes,	24.00
Inventory of files,	303.96
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	<u>\$15,045.15</u>

MATERIALS ON HAND IN THE ENGINEER'S DEPARTMENT,
OCTOBER 1, 1856.

Iron rails,	\$11,556.00
Bridge and fence lumber,	663.51
Railroad chairs and switch castings,	340.30
Frog castings,	431.58
Railroad sleepers,	1,048.00
Railroad spikes,	303.75
Water fixtures,	163.00
Miscellaneous articles,	1,584.41
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	16,090.55
Estimate materials used in Oct., Nov. and Dec.,	1,500.00
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	14,590.55
Bridge lumber at Woodville,	3,474.31
Bridge lumber at Lake Village,	100.00
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Materials on hand January 1, 1857.	<u>\$18,164.86</u>

WOOD, LUMBER, TOOLS, &c., IN THE WOOD DEPARTMENT.

645 cords short slab wood, at Warren depot, @ \$2.00	\$1,290.00
1200 " 4 feet wood, at Warren depot,	2.00 2,400.00
300 " Knap wood, Summit,	1.50 450.00
200 " Swan wood, at Little's and in woods,	1.00 200.00
225 " Donovan wood, in the woods,	1.00 225.00
217 " Kennedy wood, at Little's gate, part p'd,	259.00
718 " Hoyt and Harris' wood, in woods,	.80 574.90
720 " Bowen lot wood, in woods,	.65 468.48
100 " Due from W. M. R. R. Co.,	2.00 200.00

551 cords Pike wood, East Haverhill	1.50	826.50
1200 " at top of the sluice,	1.30	1,560.00
40 " at bottom of the sluice,	1.65	66.00
2675 " at stations,	2.25	6,018.75

8,791		\$14,538.13
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184 M. hard wood lumber,	@ \$10.00	1,840.00
238 M. shingles,	2.00	476.00
127½ M. soft wood lumber,	7.00	890.00
400 sleepers,	.12½	50.00
30 M. lumber in log,	4.00	120.00
Lot of clapboards,		85.00
84 M. plank in sluice,	5.00	420.00
17 shantees,	20.00	340.00
1 blacksmith's shop, (rents for \$40. per annum,)		200.00
1 tackle and fall, 12.00 ; 1 bench and vise, 4.50,		16.50
1 grindstone, 5.00 ; 3 iron bars, 6.00,		11.00
11 drills, 10.00 ; 12 lbs. powder, 2.00 ; 6 lanterns, 6.67,		18.67
3 cross-cut saws, 15.00 ; 6 picks, 5.00,		20.00
22 shovels, 18.00 ; 1 set scales, 14.00,		32.00
1 pair lumber wheels,		25.00

\$19,082.30

MISCELLANEOUS.

Wood-lands, &c., in Warren and Benton, cost	22,914.54
Bonds due in 1870, now pledged for debts,	26,400.00
15 shares Wells River Bridge, @ \$100,	1,500.00
70 shares Winnipissiogee Steamboat Co., (par \$50.)	2,500.00
100 shares White Mountain Telegraph Co., (par \$25.)	
White Mountain Railroad bonds, (par \$5.500.)	

\$53,314.54

RECAPITULATION.

Stock in machine shops,	15,045.15
Materials in Engineer Department,	18,164.86
Materials, &c., in Wood Department,	19,082.30
Miscellaneous,	53,314.54

105,606.85

Loss on stock by fire, since January 1st, 1857, over insurance, estimated at	1,865.61
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\$103,741.24

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NOTES, FEBRUARY 1, 1857.

<i>Date.</i>	<i>Amount.</i>	<i>Time due.</i>	<i>Origin.</i>	<i>With interest from</i>	<i>Rate per cent.</i>	<i>Remarks.</i>
Dec. 8, 1853....	1,000.00	Dec. 8, 1856.	Real Estate.	Date.....	6	<div style="display: flex; align-items: center;"> <div style="margin-right: 10px;"> { Paid June 30, 1856, \$100. Note of \$1,123. Paid Nov. 6, 1856, \$125. </div> </div>
" 8,.....	1,000.00	" 8, 1857.	Real Estate.	Date.....	6	
" 8,.....	1,500.00	" 8, 1858.	Real Estate.	Date.....	6	
April 29, 1854....	10,000.00	Oct. 29, 1854.	Cash.....	Maturity.....	6	
May 22,.....	5,000.00	Sept. 22, 1854.	Cash.....	Jan. 22, 1857.	6	
Sept. 21,.....	300.00	Demand.....	Cash.....	Date.....	6	
Oct. 10,.....	1,000.00	Oct. 10, 1857.	Damages....	Date.....	6	
" 10,.....	1,000.00	" 10, 1858.	Damages....	Date.....	6	
Mar. 31, 1855....	898.00	Demand.....	Cash.....	Date.....	12	
July 30,.....	2,000.00	July 20, 1857.	Damages....	July 30, 1856.	6	
Oct. 20,.....	281.35	Demand.....	Cash.....	Date.....	9	<div style="display: flex; align-items: center;"> <div style="margin-right: 10px;"> 6 per cent. of which is paid. 4 per cent. of which is paid. 6 per cent. of which is paid. </div> </div>
Sept. 20,.....	800.00	30 days' notice.	Cash.....	Sept. 20, 1856.	9	
Dec. 4,.....	100.00	Demand.....	Cash.....	Dec. 4, 1856.	9	
Jan'y 31, 1856...	393.00	Jan. 31, 1857.	Cash.....	Maturity.....	9½	
Feb. 2,.....	1,456.00	Feb. 2, 1857.	Cash.....	Date.....	12	
" 7,.....	200.00	" 7, 1857.	Cash.....	Date.....	10	
" 8,.....	3,911.40	" 8, 1857.	Cash.....	Date.....	12	
Mar. 20,.....	11,000.00	Mar. 20, 1857.	Cash.....	Maturity.....	12	
June 5,.....	500.00	Demand.....	Cash.....	Date.....	8	

June 25,.....	1,000.00	Nov. 25, 1856.	Cash.....	Maturity.....	.....10
July 20,.....	530.70	" 20, 1856.	Wood.....	No interest.	
" 20,.....	530.70	Dec. 20, 1856.	Wood.....	No interest.	
" 26,.....	3,000.00	Jan. 26, 1857.	Cash.....	Maturity.....	.....10
" 27,.....	5,000.00	" 27, 1857.	Cash.....	Maturity.....	.....10
Aug. 14,.....	5,000.00	Feb. 14, 1857.	Cash.....	Maturity.....	.....10
July 8,.....	5,000.00	Jan. 8, 1857.	Cash.....	Maturity.....	.....11
" 23,.....	5,000.00	" 23, 1857.	Cash.....	Maturity.....	.....11 $\frac{2}{3}$
" 9,.....	5,000.00	" 9, 1857.	Cash.....	Maturity.....	.....11
Aug. 25,.....	3,000.00	Feb. 25, 1857.	Cash.....	Maturity.....	.....12 $\frac{1}{2}$
July 24,.....	150.00	Demand.....	Cash.....	Date.....	.....8
Sept. 2,.....	1,052.00	Mar. 2, 1857.	Cash.....	Maturity.....	.....10
" 5,.....	1,000.00	" 5, 1857.	Cash.....	Maturity.....	.....10
" 14,.....	496.45	Jan. 14, 1857.	Account....	No interest.	
" 1,.....	1,800.00	Sept. 1, 1857.	Cash.....	Maturity.....	.....9
" 18,.....	600.00	" 18, 1857.	Cash.....	Maturity.....	.....10
" 4,.....	1,000.00	Mar. 4, 1857.	Cash.....	Maturity.....	.....10
" 4,.....	1,000.00	" 4, 1857.	Cash.....	Maturity.....	.....10
" 4,.....	4,000.00	" 4, 1857.	Cash.....	Maturity.....	.....12 $\frac{1}{2}$
Aug. 28,.....	10,000.00	Jan. 28, 1857.	Cash.....	Maturity.....	.....12 $\frac{1}{2}$
Sept. 6,.....	3,000.00	" 6, 1857.	Cash.....	Maturity.....	.....6
" 10,.....	3,000.00	" 10, 1857.	Cash.....	Maturity.....	.....6
" 3,.....	3,000.00	" 3, 1857.	Cash.....	Maturity.....	.....6
Aug. 13,.....	1,000.00	Dec. 13, 1856.	Cash.....	Maturity.....	.....10
Sept. 24,.....	2,000.00	Mar. 24, 1857.	Cash.....	Maturity.....	.....12
" 24,.....	731.81	Feb. 24, 1857.	Account....	No interest.	
Oct. 21,.....	4,500.00	April 21, 1857.	Cash.....	Maturity.....	.....10
" 21,.....	1,500.00	" 21, 1857.	Cash.....	Maturity.....	.....10

NOTES—CONTINUED.

<i>Date.</i>	<i>Amount.</i>	<i>Time due.</i>	<i>Origin.</i>	<i>With interest from</i>	<i>Rate per cent.</i>	<i>Remarks.</i>
Oct. 21,.....	3,278.00	" 21, 1857.	Cash.....	Maturity.....	.....10	{ Note given for \$3,000— paid, Nov. 25, \$2,500.
" 21,.....	1,485.00	" 21, 1857.	Cash.....	Maturity.....	.....10	
" 4,.....	500.00	Demand.....	Cash.....	Date.....	.....6	
" 9,.....	3,000.00	Feb. 9, 1857.	Cash.....	Maturity.....	.....6	
" 12,.....	3,000.00	" 12, 1857.	Cash.....	Maturity.....	.....6	
" 27,.....	3,000.00	" 27, 1857.	Cash.....	Maturity.....	.....6	
" 27,.....	3,000.00	Jan. 27, 1857.	Cash.....	Maturity.....	.....6	
" 11,.....	6,300.00	April 11, 1857.	Cash.....	Maturity.....	.....12	
" 24,.....	500.00	Demand.....	Cash.....	Date.....	.....10	
Nov. 6,.....	5,200.00	May 6, 1857.	Cash.....	Maturity.....	.....12	
" 12,.....	555.00	Nov. 12, 1857.	Cash.....	Maturity.....	.....10	
" 10,.....	700.00	Demand.....	Cash.....	Date.....		
" 13,.....	500.00	Demand.....	Cash.....	Date.....		
Oct. 24,.....	4,400.00	April 24, 1857.	Cash.....	Maturity.....	.....10	
Nov. 3,.....	600.00	May 3, 1857.	Cash.....	Maturity.....	.....9	
" 3,.....	600.00	" 3, 1857.	Cash.....	Maturity.....	.....9	
Dec. 1,.....	2,000.00	June 1, 1857.	Cash.....	Maturity.....	.....10	
" 10,.....	1,500.00	" 10, 1857.	Cash.....	Maturity.....	.....12	
" 12,.....	2,210.00	Dec. 12, 1857.	Cash.....	Maturity.....	.....10	
" 12,.....	2,200.00	" 12, 1857.	Cash.....	Maturity.....	.....10	
" 12,.....	1,500.00	Demand.....	Cash.....	Date.....		
" 12,.....	1,650.00	Demand.....	Cash.....	Date.....		
" 12,.....	1,051.50	Demand.....	Cash.....	Date.....		

Nov.	7,	3,000.00	Mar.	7, 1857.	Cash.....	Maturity. ....	..... 6
"	14,	3,000.00	"	14, 1857.	Cash.....	Maturity. ....	..... 6
"	18,	3,000.00	"	18, 1857.	Cash.....	Maturity. ....	..... 6
Dec.	1,	3,000.00	"	1, 1857.	Cash.....	Maturity. ....	..... 6
"	5,	5,000.00	April 5,	1857.	Cash.....	Maturity. ....	..... 9
"	11,	2,000.00	Demand.....		Cash.....	Date.....	..... 12
"	12,	3,000.00	Mar. 12,	1857.	Cash.....	Maturity. ....	..... 10
"	15,	4,000.00	June 15,	1857.	Cash.....	Maturity. ....	..... 14
"	24,	1,325.00	Dec. 24,	1857.	Cash.....	Maturity. ....	..... 10
"	20,	2,000.00	June 20,	1857.	Cash.....	Maturity. ....	..... 11
"	27,	2,500.00	"	27, 1857.	Cash.....	Maturity. ....	..... 13
"	8,	3,000.00	April 8,	1857.	Cash.....	Maturity. ....	..... 6
"	15,	3,000.00	"	15, 1847.	Cash.....	Maturity. ....	..... 7
"	26,	3,000.00	Mar. 26,	1857.	Cash.....	Maturity. ....	..... 6
"	22,	3,000.00	April 22,	1857.	Cash.....	Maturity. ....	..... 7 $\frac{1}{4}$
Oct.	1,	10,000.00	"	1, 1857.	Cash.....	Maturity. ....	..... 14
"	4,	10,000.00	Mar. 4,	1857.	Cash.....	Maturity. ....	..... 14
Nov.	29,	10,000.00	April 29,	1857.	Cash.....	Maturity. ....	..... 14
Dec.	1,	10,000.00	June 1,	1857.	Cash.....	Maturity. 14
"	24,	9,000.00	"	24, 1857.	Cash.....	Maturity. 14
		\$256,785.91					

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Income.

<i>Time.</i>	<i>Gross Receipts.</i>	<i>Expenses.</i>	<i>Net Income.</i>
April 1, 1853, to April 1, '54,	233,234.81	112,400.31	120,834.50
April 1, 1854, to April 1, '55,	295,282.31	154,331.17	140,951.14
April 1, 1855, to April 1, '56,	286,949.83	163,378.67	123,571.16
Total for three years,.....	\$815,466.95	\$430,110.15	\$385,356.80
April 1, 1856, to Jan. 1, 1857,	235,354.28	143,206.53	92,147.75



